

CHAPTER I

INTRODUCTION

A. Background

The culinary industry, is a part of creative industry that produces variety of processed food products in the form of traditional and modern foods. Food is one of human needs (basic needs). Because including the basic needs, then the fulfillment of food becomes absolute for humans to maintain their survival. The culinary industry is very promising today because it already has its own market both in Indonesia and internationally. In Indonesia, the culinary industry is flourishing and continues to grow rapidly. According to Maslow's theory, the most basic level of human existence, physiological and safety needs must be met. People need food, relaxation, and shelter, and a product that meets these basic needs has potential in globalization (Keegan and Green 2013). Because it includes basic needs, the fulfillment of food becomes absolute for humans to maintain their survival. After basic needs are met, then will be able to think about achieving other needs. Such as social needs, self-esteem and self-actualization.

According to the Creative Economy Book: Indonesia's New Power Towards 2025 (Kemenparekraf 2015), the definition of culinary is the preparation, processing, presentation of food and beverage products that are element of creativity, aesthetics, tradition, and / local wisdom; as the most

important element in increasing the image and value of the product, to attract buyers and provide experience for consumers.

Local wisdom is the identity of a region in the form of truth that has been embedded in a region. The scope of the culinary subsector in Indonesia is divided into two main categories, namely culinary services and culinary goods. Culinary Services (food service) consists of aspects of preparation and presentation such as restaurants and catering services. While culinary items are processed or packaged food products. Cultural values and local content of an area become one of the sources of the uniqueness of a product. For example packaging food from an area that is made for tourists being merchandise.

Nowadays, in consumer behavior decide to buy food products in particular, the consumer will make a purchase if it has gone through a purchase decision process. There are several factors in the buying decision process, one of that is the religious factor in subculture. The subculture factor is religion where consumer behavior buys Halal products for Mosleem people. Islam is not only a religion, but Islam is also used as a system of human life in daily life. In other words, Islam covers all aspects of human life and applies to everyone, everywhere (Hafidhuddin, 2018). In the word of Allah QS Al-Baqarah: 172 it means to explain that "O you who believe, eat among the good fortune that We have given to you and give thanks to Allah, if you truly worship Him, you worship." The verse explains

the command to consume Halal food. Halal is permissible, clean, nutritious and healthy. To find halal information through Halal Label.

The inclusion of halal label on the product aims to provide certainty of the halal status of a product and to appease Mosleem consumers in the procedures, raw materials, and processing of these products, so that the tourists do not hesitate to decide to purchase product. Halal label on products are no longer matters of religion, but are now a global symbol for product guarantees, and lifestyle choices in the area of Trade Business. Halal in Arabic means "allowed", "justified". The opponent is Haram means it is forbidden, and not justified according to Islamic law. In Arabic, this refers to anything that is permitted under Islamic guidelines. One of the product attributes in the culinary business is the inclusion of Halal Label on the Products. The understanding of the Halal Label, the Halal Label itself can be interpreted as a form of information about a product that has been allowed to be consumed based on Islam guidelines. Halal label is one of the most important criteria that can differentiate products (Giraud, 2005). The halal label aims to help Mosleem consumers to evaluate a product and consumers will be sure the quality of the product.

In this 20th century, one of the strategies that was mostly done to increase the purchase of a product was word of mouth (WOM). Word of Mouth (WOM), also known as buzzmarketing, it makes consumers curious when a lot of talking and even recommendations about something

new. People are more likely to believe in word of mouth marketing (WOM) than with any formal promotional methods. The Word of Mouth has influenced on buying a product. Where people buy a product, see the product review through family, friends, and even social media. Word of Mouth can be done when meeting with friends by explaining and giving an impression of the product that has been consumed. Word of Mouth (word of mouth communication) is now very effective because of the technological development makes it easy for consumers to talk about a product, apart from face to face. Word of Mouth can be done on the internet through social networks and mobile phones are media that are word of mouth is possible.

Richins and Shaffer (1988) stated that WOM has played an important role in influencing consumer decisions to make purchases. WOM can influence decisions, both positive and negative. This may be because personal resources are seen as more reliable (Murray, 1991). When the people tell a product truth it will happen whether will buy the product or not. In addition to issue of Halal label and Word of Mouth in purchasing decisions, there are Brand Image which are ideas, values, and interests that make a product unique. A Brand Image must be able to represent all the characters of the product, from internal or external that is able to influence consumers according to the target of a product. In the brand contained of the company contents consumers to provide benefits, special, and certain values.

Brands are very valuable because they can influence consumer decisions to buy. In the product purchase selection decision, consumers really choose products that are considered in accordance with their needs and desires, which in a brand depends on the inherent image. The company must be able to provide the best and in accordance with what consumers need and desire. Therefore, the company must build an image that stands out from competitors, by making new customers loyal and old customers remaining loyal in consuming a product or at least consumers are satisfied with the product and it will build a positive image for consumers. Brand image is very influential in purchasing decisions for product because the brand is able to influence consumer choices or preferences. A good brand can signal the superiority of consumers that leads to favorable consumer attitudes and brings better sales and financial performance than the company (Kotler, 2000).

Nowadays, Bali is one of the tourist destination because Bali has some beautiful beaches and some Culinary tourism. Most of people like snacks, ranging from children to parents really like to eat snacks, especially with a sweet taste. Not infrequently snacks are used as souvenir from a place that is visited. for example Pie Susu , this snack is very famous for its sweet taste and even serve as souvenir to be brought home as a form of sign that I've been to Bali. Pie Susu is a typical Balinese snack that is popular for tourists and is widely available at the center of Bali souvenir and online shops. The grouping of traditional snacks used in Bali is used for

ceremonies, personal consumption and parties (Prahitadani, 2014 in Hamonangan,2015). Currently snacks for ceremonies , personal consumption, and parties are also used as Balinese souvenirs. Pie Susu has a cute, small, round shape, sweet taste, and crispy make tourists interested in buying it to be a typical Balinese souvenir.

The famous Pie Susu Brand is the Balinese Pie Susu Dhian. Pie Susu Dhian is made with natural ingredients without preservatives . Pie Susu Dhian can consume last up to 7 days without refrigeration or refrigerator. The ingredients are eggs, milk, butter and milk. The travelers like Pie Susu Dhian because it has a sweet taste, without preservatives, and Halal. There are many Mosleem tourists who bought this products. Pie Susu Dhian is a Balinese Pie Susu known to have good taste, without preservatives, and has a Halal Label from Majelis Ulama Indonesia. The majority of Indonesia's population being Mosleem, the awareness to consume Halal food is already inherent in Mosleem. Pie Susu Dhian is booming on Instagram because it has quite a number of resellers and has Halal certificate that is issued by MUI. Bali Pie Susu has a variety of flavors, ranging from Original, Chocolate, Cheese, Cheese Chocolate, Strawberries, and Blueberry. Tourists hunt for Dhian Pie Susu to be used as souvenir from Bali because it has good tastes to be liked by various ages, its small shape, and makes a sign that someone has visited Bali. Pie Susu Dhian is famous through the reviews of tourists through word of mouth, thereby increasing the image of the Bali Pie Susu Dhian brand.

In marketing Pie Susu Dhian products, the marketing strategy is in selling their products. The strategy of product include attributes in the form of halal labels, word of mouth advertising promotion and brand image of the product. With intenses competitions from competing brands and consumer considerationin making decisions, researcherinterest in conducting a study entitled "The Effect of Halal Label, Word of Mouth, and Brand Image in consumer purchasing decision makingof Pie Susu Bali"

B. Problem of Research

Based on the background of the study the following problems can be concluded:

1. How the Halal Label has impact on consumer purchasing decision at Pie Susu Dhian Bali?
2. How the Word of Mouth has impact on consumer purchase decisionat Pie Susu Dhian Bali?
3. How the Brand Image has impact on consumer purchasing decision at Pie Susu Dhian Bali?

C. Purpose of Research

The purpose of this study are as follows:

1. To analyze the positive impact of Halal Label on the consumer purchasing decision at Pie Susu Dhian Bali.

2. To analyze the positive impact of Word of Mouth on the consumer purchasing decision at Pie Susu Bali.
3. To analyze the positive impact of Brand Image on consumer purchasing decision at Pie Susu Dhian Bali.

D. Benefit of Research

Based on the research objectives above, the benefits expected in this study are as follows:

1. Theoretical benefits

It is hoped that this research can add knowledge in the field of marketing, especially understanding of Halal Labels, Word of Mouth, and Brand Image.

2. Benefit Practically

- a. For Company (Pie Susu Dhian)

It is hoped that this research can contribute to managers in carrying out their professional duties.

- b. For Science Development

This study serves as an empirical proof of how much influence the Halal Label, Word of Mouth, and Brand Image on the Purchasing Decision of Dhian Pie Susu Bali products.

c. For Further Research

It is hoped that this research can be used as a reference for further research on Halal Label, Word of Mouth, and Brand Image on the purchasing decision of Dhian Pie Susu Bali

E. Content of Research

The contents of research, are as follows:

CHAPTER I : INTRODUCTION

This chapter includes introduction which consists of background of research, research problems, purposes of the research, benefits of the research, and the contents of research.

CHAPTER II : LITERATURE REVIEW

This chapter contains theoretical background of variables used in this research. Such as summary of previous studies, hypothesis of the research and theoretical framework.

CHAPTER III : RESEARCH METHODOLOGY

This chapter explains about the methodology of the research. It provides the information about research design, population and sample, sampling method, operational definition, source of data, data

collecting technique, instrument analysis, data analysis, and hypothesis testing.

CHAPTER IV : RESULT ANALYSIS AND DISCUSSION

In this chapter, results of data analysis and the discussion are presented.

CHAPTER V : CONCLUSION

The last chapter covers summaries and results of the research. It consists of conclusions, research limitation of study and research suggestions.

REFERENCES

APPENDIX